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Summary record of the 48th meeting
Held at Headquarters, New York, on Thursday, 11 March 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
later: Mr. Armitage (Vice-Chairman) ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 113: Programme budget for the biennium 1998–1999 *(continued)*

Integrated Management Information System (continued) (A/53/7/Add.7, A/53/573 and Add.1, A/53/662 and Corr.1 and A/53/829)

1. **Mr. Connor** (Under-Secretary-General for Management), introducing the addendum to the tenth progress report of the Secretary-General on the Integrated Management Information System (IMIS) (A/53/573/Add.1), said that the numerous progress reports and analyses of IMIS confirmed that the system worked; in fact, it was used every day by hundreds of staff worldwide. The completion of the development phase of what was a highly complex task was rapidly approaching. As indicated by the independent experts, additional expenditures had been incurred and the project had not been completed on schedule, but it had not failed. Progress continued to be made: the new version of the finance applications had been implemented on 1 February, payroll and related applications were being tested and the implementation of Release 3 at offices away from Headquarters would begin on 1 July in Vienna. Practically all operational and maintenance activities had been taken over by Secretariat staff. Reliance on contractors would continue to decrease and would be limited to the activities described in the progress report.

2. The development of IMIS had been long and difficult and some difficulties were still bound to arise, but the major problems had been overcome. The resources requested in paragraph 6 of the report were needed to complete the project; without those funds final development and implementation activities would have to be terminated at the end of July.

3. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the increase in costs of the Integrated Management Information System development contract (A/53/829), said that the OIOS analysis showed that the cost increase of nearly 170 per cent of the original contract amount was the result of three major causes.

4. First, contract amendments had been issued for out-of-scope development work to rectify incomplete and/or incorrect specifications and add many new functionalities, amounting to $11 million net, or 65 per cent of the $17 million base contract. Since IMIS had been the first such complex systems development effort by the United Nations, the preliminary work undertaken had not resulted in complete and correct requirements specifications, due in part to the fact that the Organization as a whole had not had uniform and integrated policies and procedures. There had also been insufficient participation by users, particularly in the initial phases of the development process. Therefore, significant changes had been made as the system progressed, including the reworking of some completed segments and the addition of many new functionalities to improve operational efficiency. While the cost overruns had been in line with those experienced in industry, they could have been reduced by proper planning.

5. The other two causes, namely implementation and production support and software maintenance, had together accounted for $17.7 million of the cost increase. Those requirements had not been included in the original contract, as that work was originally to have been done internally. However, due to inadequate planning and insufficient resources, skilled staff in particular, user departments had generally been unprepared to undertake those functions. The undue reliance on the contractor and the project team had contributed to further delays and cost increases. Through proper planning, more of the work could have been done internally, possibly with some cost savings.

6. The Organization was planning to implement the remaining IMIS releases system-wide by August 2000. The Administration was optimistic that the challenge of implementing those releases would be met and that further use of contractual services would be limited to those requests made in budget proposals. However, unless management took concerted action, it was possible that the same difficulties encountered in implementation of the earlier releases might recur and could result in further delays and cost increases. User training, effective operational support and proper maintenance were critical for the institutionalization of IMIS as an operational tool.

7. **Mr. Stein** (Germany), speaking on behalf of the European Union, said that the European Union attached great importance to the efficient and effective implementation of IMIS and believed that it was crucial for the overall functioning of the United Nations. It took note of the OIOS finding that a number of deficiencies during development and implementation had caused partially avoidable increases in the contract cost. Those findings were serious, and the Secretariat must take them into account. The European Union concurred with the view of the Secretary-General that there was no need for a revision of the budgetary estimates for the completion of IMIS and agreed with the recommendations made in document A/53/573/Add.1, paragraph 6.

8. **Mr. Repasch** (United States of America) said that his delegation also attached great importance to IMIS and saw it as central to a more modern and efficient United Nations. With reference to paragraph 6 of document A/53/573/Add.1, he enquired whether the resource requirements for operationalization reflected just the system costs, or training and other costs as well, and whether only regular budget resources were being considered.

9. **Mr. Jaremczuk** (Poland) said that his delegation aligned itself with the statement made by Germany on behalf of the European Union.

10. **Ms. Silot Bravo** (Cuba) said that her delegation regretted the delay in receiving the report of OIOS. It took note of the causes identified in the report for the cost increases and agreed that better and more detailed planning and preparation had been needed. Her delegation saw the participation of the intended users of the system as essential to its development; the lack of such participation had led to obstacles and delay. She was also concerned by the excessive reliance on contractors because of a lack of trained human resources within the Secretariat staff. Staff training would be essential for effective long-term operational support for the system. Her delegation requested assurances from the Administration that there would be less reliance on contractors in future.

11. The substantive comments on the OIOS recommendations contained in the report of the Secretary-General were welcome and highly useful. Simply because of the project's size and complexity, however, her delegation did not see how it could be completed without additional resources. Any proposed additional resources should therefore be considered through the regular budgetary process. She enquired whether the contingency fund could be used for the completion of the project and how much could be allocated.

12. **Mr. Park Hae-Yun** (Republic of Korea) said that his delegation was concerned that the $11 million in excess costs attributed to incomplete planning could lead to spiralling costs in future. Since that portion of the excess cost had been due in part to an internal lack of preparedness, his delegation attached importance to sufficient budgetary allocations for the training needed. It also attached importance to the implementation of recommendation 3 contained in the report of OIOS (A/53/829, para. 49).

13. *Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

14. **Mr. Orr** (Canada) said that the problems encountered were not unique to the United Nations; the report of the independent experts had noted that the Government of Canada had experienced similar problems in its efforts to design its own system. His delegation therefore believed that the total cost for the project was reasonable given the size and complexity of the Organization.

15. He requested assurance that, if the Committee approved the request for further funding, the Organization would be prepared to address the Y2K problem. He also enquired how further funding for the ongoing maintenance and upgrading of the system would be sought.

16. **Mr. Moktefi** (Algeria) said that the report of OIOS had highlighted the basic problem, which had been insufficient participation of the major system users. He asked what practical measures the Secretariat had taken to involve them in the planning and design of the system. Recommendation 1 of OIOS was highly relevant to that question. More information was needed on the percentage of the excess cost that was the responsibility of the contractor, in order to avoid recurrence of the problem during the implementation phase. He would also like to know the exact date of the final implementation of IMIS throughout the United Nations system.

17. **Mr. Connor** (Under-Secretary-General for Management) said that the figure of $77.6 million referred to in paragraph 6 (b) of document A/53/573/Add.1 represented only the cost of the development and implementation of IMIS. The other costs, including ongoing operation and long-term maintenance, had been calculated separately. The relevant data were contained in the ninth progress report of the Secretary-General (A/52/711, annex II).

18. Users had been consulted throughout the development process. Problems had arisen because user needs had changed over time or had not been properly thought through. Nonetheless, a high degree of user satisfaction had been achieved, which was reflected by the most recent usage figures. Currently, the number of concurrent users at Headquarters averaged several hundred.

19. The additional resources required for operating, maintaining and upgrading IMIS would appear in future programme budget submissions. It was expected that the involvement of contractors would end with the completion of the implementation phase of the project. The Secretariat staff would then be responsible for operation, maintenance and upgrading. His department had requested the conversion of 29 posts for that purpose.

20. With regard to year 2000 compliance, the effective functioning of IMIS was vital, not only for the Secretariat,

but also for those specialized agencies which used the system. All IMIS software was certified year 2000 compliant by the manufacturers. Nevertheless, his Department had purchased insurance in case of a software failure, in accordance with a recommendation by the independent experts. There were information systems in the Organization which were not connected to IMIS, but every effort was being made to render them year 2000 compliant also. The Consultative Committee on Administrative Questions was to hold a meeting on the following day to discuss crisis management strategies.

21. He was cautiously optimistic that the implementation of IMIS would be completed on schedule. In the past, delays had occurred largely because of the poor quality of existing data, with clean-up requiring several months. The next key step would be the implementation of payroll. The progress made thus far was good.

22. He would reply later to the question posed by the representative of Cuba on the contingency fund.

23. **Ms. Silot Bravo** (Cuba) said her delegation shared the concerns expressed in the report of OIOS (A/53/829) at the absence of any guarantee that problems similar to those experienced in previous years would not recur with the implementation of the remaining IMIS releases, resulting in further cost escalations. Moreover, it was not convinced that such a costly project as IMIS corresponded to the needs of an organization facing severe financial constraints.

24. **Mr. Connor** (Under-Secretary-General for Management) said that, while the cost of the project appeared high, it did not reflect the hours of extra time put in by the highly committed group of staff working on IMIS. The system's effectiveness was not in doubt. While he could give no guarantee, there was every indication that the project would be completed by early 2000 at approximately the cost estimated.

Other matters

25. **Ms. Incera** (Costa Rica) said that while the escalators between the first basement and fourth floor had been replaced the previous summer, they appeared to function less efficiently than before. She would therefore like to know which company had been awarded the contract, and whether it was also responsible for escalator maintenance.

26. She had noted with satisfaction the responses by the Assistant Secretary-General for Central Support Services at the 47th meeting to the points she had raised on security. The decision to reinstate the previous level of cover in and around the North Lounge was most welcome, and she hoped that the security arrangements for the President of the General Assembly would also be reconsidered. She agreed that the canine unit performed an important and necessary role in dealing with suspicious packages. However, she wondered whether the use of outside contractors by the unit was cost-effective; whether the contract had been subject to competitive bidding; which company had been awarded the contract; and why the Organization could not train its own dog, instead of relying on a contractor.

27. **Mr. Sulaiman** (Syrian Arab Republic) said that the high cost of the canine unit was a serious problem. He was also concerned that many of the telephones in the corridors of the building were out of order. The situation had not improved since he had first raised the matter two years earlier, yet it was vital that members of the diplomatic corps should be able to contact their missions at all times. Also, the Garage Administration must ensure that parking bays reserved for cars with diplomatic plates were not used by other vehicles.

28. **Ms. Buergo-Rodríguez** (Cuba) said that her delegation remained deeply concerned at the lack of adequate protection on the second floor of the building. The security arrangements there were not consistent with section 27D, paragraph 15 of the proposed programme budget for the biennium 1998-1999 (A/52/6/Rev.1), which stated that the fundamental duty of the Security and Safety Service was to provide a safe and secure environment for visiting dignitaries, delegates, staff and visitors to the United Nations. The staffing table for 1998 and 1999, contained in General Assembly resolution 52/220, annex I, set the number of security officers at 171. She wondered what the current vacancy rate was. With regard to the problem of suspicious packages, she would like to know how many incidents there had been in the previous year. She had been surprised to learn that the canine unit had hired an outside contractor, and wondered what the exact cost to the Organization was, since, in the programme budget for the current biennium, only $2,000 had been allocated for contractual services, specifically for the printing of various forms required for security and safety purposes (section 27D, paragraph 21). She would appreciate written answers to those points.

29. The 48th Street garage entrance was open for short periods only. At other times, delegates had to use the 46th Street entrance, which created difficulties when traffic was heavy. She wondered whether the Garage Administration intended to address that problem.

30. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that the well-being of visiting dignitaries, delegates, staff and visitors to the United Nations

was of paramount importance to the staff of the Security and Safety Service. He had absolute faith in their ability to gauge the level of risk and the protection required. The members of the Committee must bear in mind that, in the interest of security, it was not always possible to give full answers to questions on the work of the Service, although he would endeavour to respond to the points raised.

31. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that he had yet to receive clarification with respect to the failure to submit the reports requested in General Assembly resolutions 51/214 B and 53/208 B.

The meeting rose at 11.30 a.m.